

## *What Smart Shoppers Know About* **Refunds**

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### **Basic Rules**

Civil Code section 1723

Each store can set its own policy on refunds and exchanges. To attract and retain customers, many stores have liberal return policies.

Many stores will exchange nonsale items whether you buy with cash, check, or credit card, and some will give you cash or credit refunds.

Many sale items are nonrefundable and nonexchangeable.

If you exchange an item for an item that costs less, the store may require you to spend the remainder of the money in the store.

### **Posting of Refund Policy**

Civil Code section 1723

If a store does not have a policy and practice of giving full cash or credit refunds or equal exchanges for items returned within 7 days **with a receipt**, the law requires the store to conspicuously post its refund policy. If the store has a refund policy that differs from the one just stated, the store's own refund policy must be posted in at least one of the following ways:

- On signs at each cash register and sales counter
- At each public entrance
- On tags attached to each item sold under that policy
- On the retailer's order forms, if any

The store's refund policy must state whether the store will give a cash refund, store credit, or exchanges for the full amount of the purchase price; the applicable time period; the kinds of merchandise covered under the policy; and any other related conditions.

This law does not apply to the following kinds of merchandise:

- Food
- Plants and flowers
- Perishable merchandise
- Merchandise marked "as is," "no returns accepted," "all sales final," or with a similar statement
- Merchandise that you use or damage
- Customized merchandise received as ordered

## Posting of Refund Policy

continued

- Merchandise that is not returned with its original package
- Merchandise that cannot be resold because of health considerations (e.g., underwear, bathing suits)

Retailers who violate this law are liable to the buyer for the amount of the purchase if the buyer returns the merchandise on or before the 30th day after the purchase or tries to do so. Retailers who violate this law also are subject to the Consumers Legal Remedies Act.

## Defective Merchandise

Civil Code sections 1791.1(a) and (c), 1792, 1792.3, and 1793.2(d)

Unless an item is sold “as is,” all new products (except clothing and consumables) that are bought primarily for personal, family, or household use have a warranty implied by law.

This implied warranty means that the product must be fit for the ordinary purposes for which the product is used. The warranty lasts for at least 60 days, or for as long as any written warranty that accompanies the item (up to one year).

If an item sold with a written warranty is defective, you are entitled to have it repaired to conform to the warranty, and, if the item cannot be repaired, you are entitled to have it replaced or to receive a refund of the purchase price (excludes defects due to abuse).

If there is a written warranty and the defective item is too big to return, the company must either pay shipping costs or come to your home to provide service.

## Misleading Ads or Incorrect Sales Information

Civil Code sections 1566, 1567, 1572, 1573, and 1689(b)

If you can show that you bought something because of a false or misleading advertisement, you have a strong case for a refund instead of an exchange. If your consent was obtained by fraud, the law allows you to rescind (cancel) the purchase if you act promptly and in good faith.

## Gifts

The same general rules that apply to purchases you have made for yourself apply to gifts given to you by someone else. Whether you can return the gift for a refund or an exchange will depend on the store’s refund policy.

## Where to Go for Help

- Your local consumer affairs agency (look in the white pages of your phone book under County Government).
- The California Department of Consumer Affairs, Consumer Information Center, 1625 North Market Blvd., Suite N-112, Sacramento, CA 95834, 1-800-952-5210, (916) 322-1700 (TDD only).
- As a last resort, you can try to get your money back by going to small claims court. Make sure you have as much evidence as possible to support your case; it may be your word against that of the store's representative.

## For Information on Other Consumer Topics

Visit the Department's website at [www.dca.ca.gov](http://www.dca.ca.gov) or call 1-800-952-5210.

